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Advertising Age

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Winston's drop to No. 2 doomed DFS

By JOHN J. O'CONNOR

NEW YORK—Despite Dancer Fitzgerald Sample's expressions of "shock and surprise" at having been fired as the agency for Winston cigarets, a source close to R. J. Reynolds Tobacco said that "Dancer would have to be blind not to realize it was in trouble."

"It was a business decision," William D. Hobbs, RJR Tobacco chairman, said of the announced Jan. 1 move of Winston to William Esty Co.

In gaining Winston, a $40,000,000-plus account, Esty yielded the Camel cigaret line, billing more than $30,000,000 this year, to Batten, Barton, Durstine & Osborn. But Esty keeps Salem, the second largest brand behind Winston in the stable of the nation's No. 1 cigaret company.

▪ "It was shabby and shoddy," Stuart B. Upson, DFS chairman, said of the Reynolds' action. "It's sad that a big company would act in such a manner."

In his internal memo, Mr. Upson said, "I am particularly incredulous because we are doing exceptionally good work on Winston. Our new advertising has tested extremely well. Our Reynolds account, creative and media people have done a superb job under the constant heavy pressure inherent in the cigaret business. We do not take a back seat to any Reynolds agency, in any way. On the record, I believe we have outperformed all the rest."

Mr. Upson was referring to the new Winston ads for Winston and Winston Lights that broke in recent months. The agency apparently felt RJR, based in Winston-Salem, N.C., was well satisfied by the efforts.

▪ Execs at other Reynolds agencies took turns shooting down some of Mr. Upson's remarks. "Look at the record," said one. "Winston was No. 1 in sales when Dancer succeeded Esty on the brand in 1974. Winston is now No. 2 (behind Philip Morris' Marlboro) and continues to decline. Dancer had five years on Winston. Who have they

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Camel walks to BBDO.

Life Savers, Chicle ready for candy roll market clash

By SAM HARPER

NEW YORK—Life Savers Inc., traditionally the aggressor in pitting its products against those of American Chicle, is leaving comparative advertising to its archcompetitor this time as the two gum and candy marketers gear up for a head-on marketing collision in the sugar-free, fruit-flavored roll candy segment.

Life Savers' Sweet Nothings, tested late last year in Green Bay, Peoria and Tucson, and introduced nationally two months ago, will be the subject of a major advertising effort that will steer clear of comparisons and focus on taste, according to Jerry Pulley, exec vp at the Squibb Corp. subsidiary.

Introductory commercials for the fruit, cherry, assorted and mint-flavored candies will begin this week with larger ad schedules slated for January.

American Chicle, on the other hand, will use commercials comparing its new sugarless Trident Candy Fruits with Life Savers' 70-year-old roll candy containing sugar. The new product from the Warner-Lambert unit was launched in Omaha earlier this month, but a source at Ted Bates & Co. confirmed that a national rollout is due soon. The candies come in grape, cherry and assorted flavors.

▪ "We expected Chicle to follow us into this category," Mr. Pulley said. "We've been the innovator behind other products, and Chicle always is right behind us." He added, "Now we're coming out with an innovative hard candy and, sure enough, here comes Chicle."

While Chicle did follow Life Savers' Bubble Yum into the soft

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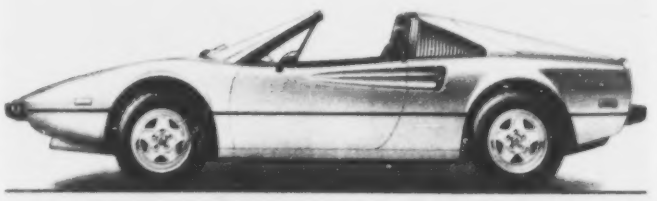
What can be conceived can be created



Shifting into advertising, Ferrari North America, a division of Turin, Italy-based Fiat, kicked off its first U.S. campaign with an ad in the *Wall Street Journal*. The company will spend approximately $500,000 through 1980 to promote its $40,000 sports car. Ads are in *WSJ* and upscale magazines. Hank Forssberg Inc., Hackensack, N.J., handles.

'Time' working on way to offer readers a talkie

By JACQUES NEHER

KANSAS CITY—*Time* soon may be making waves. Sound waves.

Time Inc. now is sewing up a licensing agreement that will give it the technology to produce the first talking magazine—an innovation that could add the dimension of sound to both editorial and advertising in *Time* within a year.

"We have a talking magazine . . . we are working on one right now," Malcolm Ochs, research director, *Time*, told a stunned audience of media buyers and planners at ADVERTISING AGE's Media Workshop here last week.

"There is technology available right now that can imprint grooves right on the page of the magazine," Mr. Ochs explained. "You then have a little box—a scanner—that goes over these grooves and can actually pick up the voice that's impregnated in them."

▪ Mr. Ochs said the development could allow readers to hear segments of speeches or other quotations reported on the printed page.

"This adds sound to the sight," he added. "If you did something like that with an advertisement and could get another minute's worth of copy onto your printed page, you could do a lot more with your ad than just the regular color or black and white layout."

Because the recording would be a part of the page, Mr. Ochs said, the magazine would be able to "get around" postal regulations that prohibit the inclusion of separate sound recordings for mailings at the regular second class rate.

Mr. Ochs and Time Inc. refused

(Continued on Page 95)

P&G, GM pare tv? Nets say no

By JAMES P. FORKAN

NEW YORK—Reports that major spenders like Procter & Gamble and General Motors' Chevrolet division are slashing ad budgets, especially in network tv, prompted quick denials from the nets, who maintain that their sales climates are healthy into 1980.

P&G is said to be chopping up to $30,000,000 off its total ad expenditures, and allegedly tv—chiefly NBC daytime—would be the big loser. In Cincinnati, P&G's only official comment was that it has no plans to cut back on its NBC soap opera, "Another World."

▪ According to reports, part of the $30,000,000 will be moving into a broadening of P&G's magazine list beyond the women s service books. P&G began putting more of its money into magazines in 1974 and since then has tripled actual magazine dollars to perhaps $40,000,000 or more this year.

Chevrolet, which has decided not to renew basketball and golf packages, said its move was "absolutely not a budget cutback."

NBC execs professed surprise at the speculation about a P&G reduction in daytime or any other daypart. "They're very strong with us. There's nothing like that [major cuts] happening." Indeed, one said, "P&G just made a couple of new buys in the last month."

▪ Despite the P&G silence and NBC denial, some agency buyers steadfastly maintained that P&G's cuts take effect in the remaining weeks of the final quarter and stretch at least into January. These sources added that they themselves have bought some of that vacated time at bargain rates. They could not explain the rationale behind the P&G move.

One NBC exec suggested the cutback reports may have been triggered in part by published reports that P&G's "Shirley" prime time series was on its last legs. That series has not been canceled, he said, and looks "secure" since it has built, hitting a satisfactory 29 share in the Nielsens for the week ended Nov. 25.

Some rival network salesmen, too, said they were unaware of any big P&G reduction. The latest P&G drama special due in "Seizure" (subtitled "The Story of Kathy Morris") which will fill two CBS prime time hours on Jan. 9.

▪ There also was some confusion surrounding Chevrolet's decision

(Continued on Page 94)

last minute news

FTC 'restructuring' power survives Senate test

WASHINGTON—The Senate commerce committee Friday balked at acting on a proposal to strip FTC of its power to "restructure" industries as commission staffers have proposed in cases against the oil and ready-to-eat cereal industries. Earlier support for the proposal (AA, Nov. 26) evaporated as all seven committee Republicans said they opposed the plan.

M-H decides against starting 'Muse'

NEW YORK—McGraw-Hill Publications Co. has decided not to publish *Muse*. Its first consumer monthly magazine had been slated to bow in April. M-H Publications president Paul McPherson noted that reaction from potential readers and advertisers was favorable but "circulation test results do not justfity continuing this project." A pilot issue came out in October.

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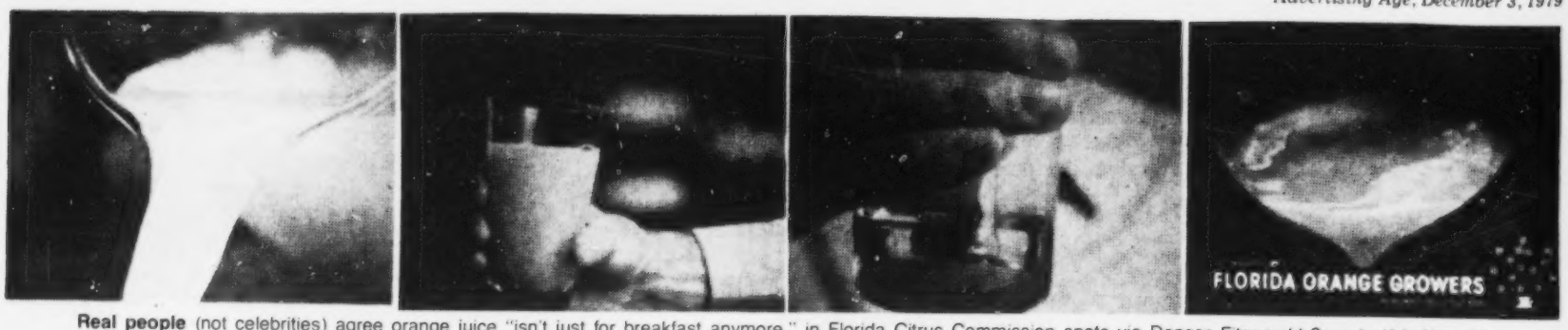
NEWSPAPER
in
Cigaret ad spending
AA MAR80
DC2001 4CNGL INGENR 94187 92011
R HAGERMAN SECY TO SR VP
CONGRESSIONAL INFO SERVICE
7101 WISCONSIN AVE
WASHINGTON DC 20014
3



Real people (not celebrities) agree orange juice "isn't just for breakfast anymore," in Florida Citrus Commission spots via Dancer Fitzgerald Sample (AA, Nov. 26).

CBS 'looking good'; ABC looking ahead

By COLBY COATES

NEW YORK—On the 28th and final night of the November local ratings sweeps, CBS-TV was "looking good."

In the latest twist to a prime time tv season that's already produced one startling development after another, CBS captured the sweeps with a 20 rating, according to Arbitron, and a 20.1 rating as measured by Nielsen.

ABC-TV, the winner of every November and February sweeps since 1975, finished second in both polls with 19.6 (Arbitron) and 19.7 (Nielsen) ratings with NBC-TV in third place with a 17.7 from both.

In general, sources attributed CBS' win to the blockbuster performance of a half-dozen series throughout the month, as well as the substantial numbers generated by theatrical and made-for-tv releases over the last two weeks.

Although some sources tended to hang a "brilliant strategy" tag on CBS, others thought the larger issue was the continuing decline of ABC. Subpar numbers for the three-part "French Atlantic Affair," "The Birth of the Beatles," "When She Was Bad," as well as a number of specials run in to fill other weak links, also were thought to have aided CBS.

Moreover, since NBC made the decision to unleash some of its blockbuster theatricals and made-for-tv movies early in the season to insure a quick ratings getaway, the network's November arsenal wasn't as meaty as NBC would have liked. For the long haul, however, observers generally think NBC's strategy was the right one.

Some preliminary results from the sweeps suggests that CBS was the only network to post a gain in share of audience this year vs. last. And, in terms of ratings, CBS was the sole network to post any substantive ratings gain. While NBC was about unchanged from a year ago, ABC was a ratings loser.

ABC is betting, however, that its newly devised second season schedule and Winter Olympics coverage in February will reverse that trend.

For the second season, ABC will introduce seven new programs—a mix of hour shows and half-hour

(Continued on Page 94)

THE COLLECTOR INVESTOR

THE INTERNATIONAL MAGAZINE OF ALTERNATIVE INVESTMENT

Something for investors

The realm of tangible investments including antiques, coins and fine stamps will be explored in the new monthly magazine, *The Collector-Investor.*

Crain plots 'Collector-Investor'

CHICAGO—A new monthly magazine aimed at the fast-growing market of institutional and individual collectors will be launched this spring by Crain Communications Inc., publisher of ADVERTISING AGE and 14 other publications.

The Collector-Investor, printed on glossy paper in an 8½x11-in. format, will concentrate on investment aspects of the top end of the collecting world. Major categories for editorial coverage will include fine art, antiques, Oriental carpets, coins, jewelry, stamps and classic model automobiles, as well as the newer investment-grade "collectibles."

"The magazine will report on all aspects of these tangible forms of investment, ranging from advice about prime investing areas within the total collecting market, to detailed tips about insuring and caring for your Dresden china and precious jewelry," said publisher Steven Yahn. "Of course, since these markets are international, we'll be covering our beats on an international basis, with correspondents around the world."

▪ To target the magazine at key investment decision makers in the U.S. and overseas, *C-I* will have an initial controlled circulation of 20,000 top corporate executives and investment advisers. This includes about 10,000 U.S. corporate chief executives and high-level financial officials, and about 10,000 investment advisers at banks and other institutions in the U.S. and overseas.

A b&w page will cost $2,500, and a four-color page $2,950. Subscription price is $20 per year; newsstand price is $2. The magazine is scheduled for introduction in late March with an April cover date.

Among a roster of regular features will be an in-depth examination of one market—in the premiere issue Oriental rugs will be highlighted. Other regular features include "Auction Block," an analysis of action at the big and small auction houses, and "Counting House," a section devoted to charting the investment performance of a variety of alternative investments.

"With the difficulties in traditional investment markets in the last 10 years, we're sure that top investment pros around the country will have professional—not to mention personal—reasons for carefully watching the burgeoning alternative investment markets," noted Rance Crain, editorial director and president of Crain Communications.

Mr. Crain added that *The*

(Continued on Page 93)

highlights

Monday, December 3, 1979

Warner Communications' new WCI Home Video unit plans to market 20 movie titles in videocassette format early in 1980. *See Page 4.*

FTC supporters are being forced to fight a delaying action. *See Page 6.*

More clients toughen audit policies toward agencies as a result of a scandal over discrepancies found by Ford Motor Co. *See Page 10.*

The head of SFM Media Corp. called for a halt to the incentives practice in media buying. *See Page 12.*

Media buyers get future insights at AD AGE's Media Workshop. *See Page 12.*

Subscription tv competition in Los Angeles heats up with comparative ads and a free programing offer. *See Page 14.*

In the wake of the collapse of the ABC-Macmillan merger and sealed lips at both companies, sources are speculating what went wrong. *See Page 16.*

Companies need to abolish their old rewards systems to improve output of product managment. *See Page 30.*

At least 52 major promotion campaigns tied to the 1980 Winter Olympics have broken or are en route, according to Capital Sports Inc. *See Page 37.*

A new Miami promotional poster of a scantily clad snorkeler has drawn some heated attention. *See Page 44.*

Continental Grain uses advertising for communications success. *See Page 47.*

British moms are being lured away from home by a British Rail and Lever Bros. promotion. *See Page 54.*

Robert Rees spots a move from the "Me" decade to the "We" decade for the '80s. What does the shift mean for advertisers? *See Page 59.*

Bill Tyler asks for examples of ad campaigns that have turned declining sales into soaring ones, and presents this month's pick of ten print ads. *See Page 59.*

Bill Robinson writes about women's magazines as a powerful promotional medium. *See Page 62.*

Rustproofing products vie for car owners' attention. *See Page 66.*

BBDO International's November magazine offers hints and strategies for getting the most out of the advertising dollar during an economic slowdown. *See Page 72.*

FCC finds first traces of advertising income for cable tv in reports for 1978. *See Page 74.*

Black Entertainment Television's satellite cable tv program service gets financial support from the No. 3 catv system operator as sponsor pursuit continues. *See Page 76.*

A New York teacher shows creatives how to make themselves use their talent for individual goals. *See Page 76.*

Tv network competition should take much credit for escalating tv production costs, Tandem/T.A.T.'s president Alan Horn said. *See Page 91.*

A new campaign from Paine Webber reflects an upsurge in advertising competition among brokerage firms. *See Page 98.*

The Minute Maid chilled juice introduction is cited as a prime example of a successful partnership between client and agency. *See Page 98.*

Section 2

Increasingly sophisticated and businesslike farmers are requiring increasingly sophisticated approaches by those who sell for and to the agricultural community. Articles in Section 2/Agrimarketing examine how to pick an agri agency, how consumer and agri ads differ, company profiles and more, beginning opposite Page 54.

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CBS sells 5 minutes to Carter team

WASHINGTON—Candidate Jimmy Carter will have the network tv launch this week that his reelection strategists have been counting on, but it will be a 5-minute program at 8:55 p.m. (EST) this Tuesday, and not the half-hour program his aides have been battling to buy from the networks.

The Carter team bought the Tuesday slot from CBS late last week after the three nets had gone to federal court to fight a Federal Communications Commission order that a bigger prime time slot had to be made available this month for Presidential campaign commercials.

▪ The Carter campaign also bought 5-minute prime time segments on independent tv stations in Atlanta, Chicago, New York, Los Angeles and Washington.

CBS has previously sold 5-minute segments to Republican candidates John Connally and Ronald Reagan, and had offered the Carter campaign 5 minutes at 10:55 p.m. this Saturday. Carter ad chief Gerald Rafshoon had rejected that

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Court ruling revives case against 15% commission

By BERNICE KANNER

NEW YORK—The advertising industry faces a new court challenge revolving around the question of whether the 15% agency commission system discriminates against direct advertisers.

The new challenge arose a month ago when a U.S. court of appeals upheld a lower court dismissal of a much broader, class-action attack on the commission system. But it told the lower court it should hold a trial on charges against Time Inc. and the *New York Times* as individual defendants. Last week these defendants petitioned the appeals court for a rehearing, a request rarely granted. A rehearing was also sought by the plaintiff, the now-defunct Ambook Enterprises book club.

In its original action, seven years ago, Ambook had named J. Walter Thompson; Young & Rubicam; BBDO and the American Assn. of Advertising Agencies as members of a class. The appeals court reaffirmed the denial of the class action, while reversing the dismissal of Time and the *Times*.

▪ The private antitrust action charges that ad agencies and publications acted illegally in granting a 15% discount from the card rate to agency-placed orders, with no discount available for ads placed directly by the advertiser.

Ambook, also known as the American Book Club, named Ted Bates & Co. as another defendant when the case first surfaced in federal district court for eastern Pennsylvania in June, 1972. In early 1978, Bates settled out of court for $25,000.

Ambook discontinued operations shortly after filing its suit, but the Pennsylvania partnership is legally entitled to wind up its affairs, including litigation, with no time limit. L-Club Corp., a New York investment company and Ambook's partner in the American Book Club,

(Continued on Page 93)

This is the $1,000,000 week for Moulinex (AA, July 16) as it launches a tv blitz for its Moulin-Air oven and La Machine. AC&R Advertising, New York, handles.

Who won the Muffin Race?
18 mins.
4 mins.
1½ mins.
Conventional oven
Ordinary microwave oven
New Rotawave™ Cooking System
If you think microwave cooking is fast, wait until you start cooking with an Amana Radarange microwave oven. With our exclusive new Rotawave Cooking System.
With Rotawave, all sorts of foods cook faster than ever before. Even cakes bake up beautifully in about half the recommended time of ordinary microwave ovens.
And foods cook more evenly than ever before with Rotawave. What's more, most foods require no turning.
That's because Rotawave works like a rotating shower of power. It rotates the microwaves directly down into the food. Instead of scattering them around every which way, like ordinary microwave ovens do.
Rotawave uses less energy, too. 50% to 75% less electricity, than a conventional electric range.
Who won the muffin race? It was no contest with Rotawave. For more information, see your Amana dealer for a demonstration. Or write Amana Refrigeration, Inc. Dept. 786 Amana, Iowa 52204.
Amana
Radarange

Amana takes a new tack with a half-page ad that seeks to position its Radarange as the speedster of the microwave category. The ad, created by new agency Foote, Cone & Belding (AA, Aug. 27), portends a "more single-minded approach" in Amana's upcoming national campaign, due next spring. The ad above will run in Dec. 10 issues of *Sports Illustrated* and *Us*.

Seguela charts select expansion

Out to spread 'Latin' style

By PAUL ZAHN

BRUSSELS—On the occasion of the official opening of the Roux, Seguela, Cayzac & Goudard affiliate in Brussels, Messrs. Cayzac and Goudard affirmed to ADVERTISING AGE the company's intention to expand to a "European dimension" and export worldwide a distinctly "Latin" approach to advertising and communications.

They confirmed that RSC&G aims to become the first truly "European" agency, with affiliates scheduled to open in Britain, West Germany and "possibly the U.S." in 1980.

The Paris-based parent always will hold a majority share, with the minority holders always being active nationals in the affiliate. The choice of these "active nationals" will not be easy because, according to Messrs. Cayzac and Goudard, the goal is not simply expansion. Mr. Goudard notes "We are only interested in working with individuals who share our ideals and believe in our philosophy of communications."

That philosophy is described as resting on "the star system." Mr. Goudard elaborated. "A brand or product must be a star to have durability and longevity on the market. We must always aim to create a distinct personality for the brand or product composed of three factors. First, the physical—the product itself, often a 'me-too' product. Second, a style—a distinct imagery and way of presentation. Third, a character—every product or brand must be endowed with a distinctive character, a special imaginary universe of its own that sets it uniquely apart."

▪ Messrs. Cayzac and Goudard further explain, "The Marlboro cowboy and the Volkswagen campaigns have these three qualities, and when a product or brand has them all the campaign cannot be copied or emulated without the consumer identifying with the original product or brand because the imaginary universe is absolute and exclusive."

The RSC&G approach means, according to Mr. Cayzac, cutting the umbilical cord of the standard Anglo-Saxon approach to advertising. "The objective of advertising in the marketing mix is not always, or at least not exclusively, concrete, quantifiable, and measurable. Human beings have a dimension of spirit and fantasy. Communications built entirely to conform to the concrete, quantifiable and measurable fail to appeal to this dimension and lose any hope of achieving any lasting impact."

Putting this vital dimension into advertising and communications means developing what Jacques Seguela calls the "Latin cultural mode of expression" and moving away from what Mr. Goudard calls "The Stagnant Anglo-Saxon model." It also means, according to

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Carter gives $50 million energy ad nod

By RICHARD L. GORDON

WASHINGTON—President Carter has signaled the Energy Department to look beyond an initially modest government energy conservation ad campaign and plan a $50,000,000 nationwide drive that could be launched next fall.

ADVERTISING AGE learned last week that White House budget planners told Energy Department execs that the President will seek an immediate $7,000,000 for the ad project and an additional $50,000,000 budget for the fiscal year starting next Oct. 1.

The push to do something quickly, however, has energy ad planners scrambling to review their options for how the first hunk of ad cash might be spent.

Both White House aides and department officials declare they intend to have a wide open competition to select not only the ad agency to run the campaign, but also a market researcher to do consumer research.

But energy ad planner Joan Michello was reluctant last week to speculate when the assignment would be open for bids. And Presidential aide Anne Wexler complained it could take "six months" or more to complete the required cumbersome government contracting procedures.

This time frame does not fit with the administration's sense of urgency about the real threat of energy shortages, particularly if the Middle East situation takes a drastic turn for the worse.

"We need to create a conservation ethic in this country, and do it quickly, or face possible brownouts," Ms. Wexler said.

As interim measures to crank out an early ad campaign, energy execs have the option of creating the initial ads in-house or turning to two small ad agencies currently handling other department assignments.

Denver agency Evans & Bartholomew winds up a $1,000,000 test of paid energy conservation ads in New England this month. Minneapolis-based Vanguard Advertising, a minority-owned agency, is running another $1,000,000 test of paid ads for the department urging homeowners in six states to modify their oil burning furnaces to use less oil.

Officials of both agencies said the department has had informal discussions with them about the possibility of additional assignments in 1980.

(Continued on Page 93)

Cigaret ad budgets up 15.4% in '78

By SAM HARPER

NEW YORK—The nation's six leading cigaret companies last year invested $478,332,300 to advertise the 20 best-selling cigarets on the U.S. market. The companies' 1978 total was 15.4% above their $404,304,000 outlay in 1977.

The 20 top brands accounted for 89.5% (551.2 billion units) of the 605.5 billion cigarets smoked in the U.S. last year, according to sales data compiled by analyst John C. Maxwell Jr. of Lehman Bros./-Kuhn Loeb.

▪ In an effort to capitalize on an increasingly health conscious public that is moving away from higher tar cigarets to the low-tar segment, cigaret manufacturers continued to add low-tar products to their brand rosters in 1978. The low-tar segment, which includes all cigarets under 15mgs tar, and the burgeoning ultralow-tar segment presently account for more than 40% of the cigarets smoked, up from about 30% in 1978.

Although R. J. Reynolds Tobacco's Vantage, Philip Morris' Merit and Lorillard's Golden Lights were in the limelight last year as a result of sales growth, American Brands' Carlton has become this year's rising star because it's currently the fastest growing brand in the top 20.

Introduced in 1962, Carlton's sales spiral began only in recent years. The advance of the low and ultralow segments' popularity pushed Carlton from the 20th spot on the brand roster in 1977 to 16th in 1978, when unit sales reached 10.09 billion units, or nearly 2% of the total market. Carlton's ad budget of $23,847,700 was slightly higher than the $22,477,100 American Tobacco invested for brand advertising in 1977.

Perhaps more significantly, Carlton sales this year are expected to be 50% higher than in 1978. Carlton is threatening to break into the top 10 best-selling brands, a first for an untralow-tar brand.

Pitted against Carlton in the ultralow-tar segment are Lorillard's 3mg Kent III, presently Carlton's stiffest competition with 0.8% of the total market; RJR's 2mg Now, currently battling Carlton in a comparative advertising effort, and 3mg Triumph, also from Lorillard.

With 80% of its output dedicated to the low-tar and ultralow-tar segments and two new product introductions, Lorillard was the most aggressive of the low-tar cigaret marketers in 1978, gaining more than a 1% market share. (A 1% share of the market translates to

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Cigaret ad costs rise

(Continued from Page 3)

about $100,000,000 at the manufacturers level.)

Despite a $44,149,000 ad outlay by Philip Morris on behalf of Merit, RJR's Vantage remained the leading low-tar in 1978. Since January, however, Merit has surged ahead of Vantage with the support of what sources say is a monumental advertising investment. RJR spent $30,786,300 on advertising for Vantage in 1978, good for eighth position in the rankings and 18.5 billion unit sales.

Unable to make significant inroads in a Merit/Vantage dominated low-tar segment, Brown & Williamson Tobacco discontinued its 14mg Fact brand, putting its advertising muscle behind 9mg Arctic Lights and the burgeoning 9mg Viceroy Rich Lights brand.

• Despite sizable ad outlays, RJR's flagship brand, Winston, continued to decline in sales from 88.1 billion units in 1977 to 84.7 billion units in 1978. Ad spending dropped from $44,290,900 to $41,912,000.

At the same time, PM's Marlboro, the leading cigaret in the U.S. as well as the world, saw its domestic share rise in 1978 to 101.25 billion units, up 4.3% over the previous year. Marlboro's ad budget also rose 4.5% to $43,681,500 in 1978.

As for 1978 market shares, Reynolds remained the leader with 32.9%, according to Maxwell data. RJR was followed by Philip Morris, 27.8%; Brown & Williamson, 15.2%; American Brands, 11.7%; Lorillard, 9.1%, and Liggett & Myers Tobacco, 3.3%.

The two newcomers to the top 20, Newport and Golden Lights, forced Lucky Strike and Parliament out of the standings. Lucky Strike and Parliament had held 18th and 19th positions, respectively, in 1977. Golden Lights became a separate brand in 1978 and is now the 11th best-selling brand.

Merit was the least efficient among the top 20 brands, with a 52.2¢ per carton advertising outlay. Pall Mall was the most efficient brand with a 5.1¢ per carton ad investment. #

the advertising market place

ACCOUNT EXECUTIVE

4-A Michigan advertising agency is looking for experienced account executive to join expanding Automotive Dealership Account Team. Right person will move fast, grow professionally and be rewarded appropriately. You will be supported by over fifty top advertising professionals. Support capabilities include: art, photography, typesetting, research, public relations, copy, media and advertising specialties plus experienced production staff. Send resume to:
Box 5947, ADVERTISING AGE
740 Rush St., Chicago, Ill. 60611

MARKETING RESEARCH AND SERVICES MANAGER

Top New England metro daily seeks marketing professional to organize and supervise research department. Must have strong statistical research and analytical skills. Will work closely with sales area to provide meaningful demographic information and reports. Will also direct consumer research projects, readership surveys and customized advertiser surveys. Should have proven track record with agency, print media a plus. Excellent salary and benefits package. Send resume in confidence to:
Box 5957, ADVERTISING AGE
708 Third Ave. New York, NY 10017
Equal Opportunity Employer M/F

ADVERTISING SPACE SALES

THE RUNNER Magazine is looking for an energetic, intelligent, motivated individual to work in advertising sales. Minimum one year experience required. New York City-based with travel opportunities. Runner preferred. Work with young, dynamic staff. Send resume to: **John Cabell, Advertising Manager, THE RUNNER, One Park Avenue, New York, N.Y. 10016.**

DESIGNER

Send your three best samples of magazine, outdoor, trademark, packaging, or P.O.P. design to the attention of Tom Jones. Best designer will be invited to beautiful Old Louisville to enjoy our creative surroundings and comfortable benefits while contributing to a fast growing, free thinking, international graphic design studio.

BRIGHT OPPORTUNITY FOR AE IN SUNNY MIAMI

One of the South's finest agencies needs another account executive to service our growing client list.

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Major international 4A's Agency has an urgent requirement in our Dallas, Texas office. We seek an aggressive individual with experience in recruitment advertising and industrial account services.

Background or knowledge of the Aerospace industry associated with military/government contractors is a plus.

Call or send resume and salary requirements to Patsy McClutcheon, Glenn, Bozell & Jacobs, P.O. Box 61200, Dallas/Fort Worth Airport, Texas 75261. (214) 556-1100.

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Chicago Based; Print Oriented

Interested in making an immediate contribution to a national or strong regional publication. Experience in all phases of publishing, including start-up, advertising and marketing. Most recently business and retail advertising sales and sales management.

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(CHICAGO BASED)

Immediate opening for a college grad with 6 or more years experience as an advertising manager. Must be a self starter and be capable of supervising both a large staff (20 people) and an annual budget of several million dollars for a national retail chain.
Past responsibilities should include proven results relative to budget control, mass media planning, liaison with national ad agency and other external advertising suppliers. This is a newly created position offering exceptional growth opportunities.
Ideal candidate may now be the 1st or No. 2 person in a medium sized retailer or 2nd person in a larger operation. We offer an excellent future and salary plus a full range of company paid benefits. Send resume and salary history to:

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ROSS LABORATORIES
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The candidate we seek will assume responsibility for evaluating, planning and implementing new products and new business programs, primarily in pharmaceuticals. College degree (MBA preferred) and a minimum of 4 years related experience in the pharmaceutical industry required.

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The person we're seeking must have at least 5 years plus experience in advertiser/agency media and/or broadcast sales. If you're a self starter and are highly motivated to increase your income, this is an opportunity you should explore.

We offer an exceptional starting salary and incentives, generous and comprehensive fringe benefits, and an outstanding opportunity for advancement.

To explore this fine opportunity, send your resume, with salary history, in confidence to:

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COPY WRITER

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Because of the increased demand for our telephony products, the position of copywriter is now available.

Responsibilities include producing written materials such as brochure product letters, ads, press releases and feature articles. Maintain a current and accurate table of contents, alpha/numerical product index and short form catalog. Maintain files on competitor ads and brochures.

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We can offer excellent starting salary and more importantly, exceptional career growth. Send resume in complete confidence to:

John Stoughton

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3245 S. Lamont Road, Downers Grove, IL 60515
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Costs of cigaret advertising: 1978-1972

Per carton and per million cigarets sold

Copyright 1979 by Crain Communications Inc.

The top 20 cigaret brands based on 1978 sales, related to the amount invested for each brand in general magazines, newspapers (including Sunday sections), network tv, spot tv, network radio, spot radio and outdoor. The figures are not offered as complete records of expenditures; tobacco companies spend large sums for point of purchase materials and in other nonmeasured media. Sales figures for this study were taken from the 1978 Maxwell Report. Advertising expenditures were compiled from figures supplied by Broadcast Advertisers Reports; Institute of Outdoor Advertising; Leading National Advertisers; Radio Advertising Bureau; Radio Expenditure Reports, and Television Bureau of Advertising. Newspaper expenditures for 1975, 1976, 1977 and 1978 were supplied by sources in the tobacco industry; newspaper totals for the years previous to 1975 were compiled from figures supplied by the Newspaper Advertising Bureau (compiled by Media Records).

	1978	1977	1976	1975	1974	1973	1972
Marlboro (Philip Morris)[1,2,3,4]							
Sales (billions)	101.25	96.9	94.2	91.3	86.1	78.8	69.5
Ad investment	$43,681,500	$41,690,000	$31,558,100	$22,093,000	$25,622,046	$20,968,982	$21,472,445
Ad cost per million	$431.42	$430.23	$335.01	$241.98	$297.44	$266.03	$308.96
Ad cost per carton	8.6¢	8.6¢	6.7¢	4.8¢	5.9¢	5.3¢	6.2¢
Winston (Reynolds)[1,2,3,4]							
Sales (billions)	84.7	88.1	90.1	91.5	90.1	87.9	84.5
Ad investment	$41,912,000	$44,290,900	$30,646,800	$31,733,000	$32,874,523	$22,131,689	$21,915,149
Ad cost per million	$494.82	$502.62	$340.14	$346.80	$364.54	$251.78	$259.35
Ad cost per carton	9.8¢	10¢	6.8¢	6.9¢	7.3¢	5¢	5.2¢
Kool (Brown & Williamson)[2,4,5]							
Sales (billions)	59.0	59.3	60.7	61.8	60.8	56.1	49.9
Ad investment	$37,313,900	$28,857,200	$23,062,400	$20,064,100	$17,093,560	$15,915,007	$20,103,779
Ad cost per million	$632.43	$486.38	$379.94	$324.18	$281.05	$283.64	$402.88
Ad cost per carton	12.6¢	9.7¢	7.5¢	6.4¢	5.6¢	5.7¢	8.1¢
Salem (Reynolds)[2,4]							
Sales (billions)	54.4	53.7	52.6	50.5	50.8	49.0	47.0
Ad investment	$43,948,900	$33,919,500	$24,749,700	$23,778,500	$21,204,195	$20,114,633	$17,611,766
Ad cost per million	$807.88	$631.64	$470.52	$470.86	$426.82	$410.50	$374.72
Ad cost per carton	16.1¢	12.6¢	9.4¢	9.4¢	8.5¢	8.2¢	7.5¢
Pall Mall (American Tobacco)[2,4,5]							
Sales (billions)	37.3	40.2	43.2	49.9	51.6	52.5	53.2
Ad investment	$9,542,200	$10,668,600	$12,411,500	$10,379,700	$9,551,971	$6,224,501	$9,722,289
Ad cost per million	$255.82	$264.79	$265.20	$208.01	$185.04	$118.61	$182.79
Ad cost per carton	5.1¢	5.2¢	5.3¢	4.1¢	3.7¢	2.4¢	3.7¢
Benson & Hedges (Philip Morris)[1,4,4]							
Sales (billions)	27.6	26.1	26.2	26.2	25.2	20.8	18.5
Ad investment	$29,993,800	$27,990,600	$14,110,700	$14,804,600	$18,336,538	$16,127,011	$15,475,415
Ad cost per million	$1,086.73	$1,069.97	$538.57	$565.06	$727.64	$776.08	$836.51
Ad cost per carton	21.7¢	21.3¢	10.7¢	11.3¢	14.5¢	15.5¢	16.7¢
Camel (Reynolds)[1,5]							
Sales (billions)	26.4	24.3	26.0	27.4	28.9	29.9	29.9
Ad investment	$36,008,600	$6,601,000	$6,643,000	$9,946,500	$11,208,661	$6,667,037	$6,658,795
Ad cost per million	$1,363.96	$270.64	$255.50	$363.01	$386.77	$222.97	$222.70
Ad cost per carton	27.2¢	5.4¢	5.1¢	7.2¢	7.7¢	4.5¢	4.5¢
Vantage (Reynolds)[1,2,3,4]							
Sales (billions)	18.5	17.3	14.3	12.2	9.6	7.3	6.0
Ad investment	$30,786,300	$34,887,300	$20,069,700	$15,480,100	$10,121,232	$8,128,622	$6,191,757
Ad cost per million	$1,664.12	$2,010.79	$1,403.47	$1,268.86	$1,055.39	$1,113.50	$1,040.62
Ad cost per carton	33.2¢	40.2¢	28¢	25.3¢	21.1¢	22.3¢	20.8¢
Merit (Philip Morris)[1,2,3,4]							
Sales (billions)	16.9	14.2	8.5	——	——	——	——
Ad investment	$44,149,000	$42,698,600	$44,597,000	——	——	——	——
Ad cost per million	$2,612.36	$2,990.09	$5,246.70	——	——	——	——
Ad cost per carton	52.2¢	59.8¢	$1.05	——	——	——	——
Kent (P. Lorillard)[1,4,4]							
Sales (billions)	15.9	30.1	27.8	26.9	29.0	29.9	29.5
Ad investment	$12,726,400	$29,114,800	$22,724,000	$16,678,900	$15,056,823	$15,629,561	$12,206,782
Ad cost per million	$795.40	$967.26	$817.41	$620.03	$517.59	$522.38	$413.79
Ad cost per carton	15.9¢	19.3¢	16.3¢	12.4¢	10.3¢	10.4¢	8.3¢
'Golden Lights (P. Lorillard)[1,2,3,4]							
Sales (billions)	14.7	——	——	——	——	——	——
Ad investment	$26,101,200	——	——	——	——	——	——
Ad cost per million	$1,775.59	——	——	——	——	——	——
Ad cost per carton	35.5¢	——	——	——	——	——	——
Tareyton (American Tobacco)[1,2,3,5]							
Sales (billions)	13.4	14.9	16.5	18.2	18.9	19.3	19.1
Ad investment	$14,477,900	$14,749,700	$7,263,500	$8,902,900	$10,914,698	$5,155,306	$6,397,147
Ad cost per million	$1,080.44	$985.28	$440.21	$489.17	$575.97	$266.70	$334.93
Ad cost per carton	21.6¢	19.7¢	8.8¢	9.7¢	11.5¢	5.3¢	6.7¢
Raleigh (Brown & Williamson)[1,4,5]							
Sales (billions)	12.4	12.4	12.3	14.1	15.4	16.4	16.6
Ad investment	$11,901,000	$9,332,100	$6,065,300	$5,601,500	$10,166,600	$7,695,799	$7,215,266
Ad cost per million	$959.75	$748.96	$470.17	$397.26	$660.16	$470.40	$434.65
Ad cost per carton	19.2¢	14.9¢	9.4¢	7.9¢	13.2¢	9.4¢	8.7¢
Viceroy (Brown & Williamson)[1,5]							
Sales (billions)	11.9	12.8	14.2	15.9	17.5	18.5	19.0
Ad investment	$10,313,400	$9,117,700	$5,622,000	$10,012,400	$13,119,464	$9,166,193	$9,837,991
Ad cost per million	$866.67	$708.99	$395.91	$629.71	$750.11	$495.74	$517.79
Ad cost per carton	17.3¢	14.1¢	7.9¢	12.5¢	15¢	9.9¢	10.4¢
True (P. Lorillard)[1,2,3,4]							
Sales (billions)	11.5	10.8	8.9	9.3	8.9	8.8	8.6
Ad investment	$16,086,000	$10,675,300	$12,140,800	$7,322,800	$8,249,496	$6,965,228	$6,367,000
Ad cost per million	$1,392.72	$980.28	$1,364.13	$787.39	$922.76	$787.11	$740.35
Ad cost per carton	27.8¢	19.6¢	27.2¢	15.7¢	18.4¢	15.7¢	14.4¢
Carlton (American Brands)[1,2,3,4]							
Sales (billions)	10.1	7.9	7.3	5.0	2.9	2.4	1.9
Ad investment	$23,847,100	$22,477,100	$21,433,700	$10,161,600	$3,647,000	$2,088,000	$967,500
Ad cost per million	$2,361.15	$2,834.43	$2,936.12	$2,032.20	$1,257.58	$1,098.94	$509.21
Ad cost per carton	47.2¢	56.6¢	58.7¢	40.6¢	25.1¢	21.9¢	10.1¢

(Continued on Page 90)

adbeat Coke vaults into an Olympic effort

COCA-COLA CO., Atlanta, in conjunction with the U.S. Olympic Committee, is establishing an Olympic Hall of Fame and Museum in Colorado Springs. Once an exhibit is put together, it will be available for tour by Coca-Cola bottlers across the country. In an unrelated promotion, Coke is offering a portable radio in the shape of its 6½-oz. bottle. Ads by McCann-Erickson that will run in several media note, "Turn on a smile with a bottle radio from Coca-Cola. Your ears are going to love it." Prices of the radio vary by market . . .

"OUR TOWN" will go into syndication in March and September under partial AT&T sponsorship via Syndicast Services, New York, which is offering half the 22-minute commercial load for local station sales. Originally shown on NBC in 1977 under full AT&T backing, "Our Town" will be bartered in March and again in September as a 2½-hour special . . .

THE PR CALENDAR is the title of a new weekly publication that lists all of the week's coming press conferences, meetings, openings, receptions and pr events. The calendar also contains information concerning available speakers for events, changes in media personnel and general news items. Subscription cost: $100 per year. For subscriptions and information write to The PR Calendar, Suite 4055, Time & Life Bldg., Rockefeller Center, New York 10022 . . .

"INTERBANG" is the name of a pilot for a comedy series satirizing the world of commercial tv in the style of "Saturday Night Live" and "The Groove Tube." The producer-packager, Azure Media Group, New York, says it's prepared to seek cable, pay cable or videocassette distribution should it fail to interest commercial broadcasters . . .

NBC-TV'S SATURDAY morning kiddie lineup has been changed to combine "Godzilla" and "Super Globetrotters" into "The Godzilla/Globetrotters Adventure Hour" and to merge "The New Shmoo" with Barney and Fred Flintstone, to get "Fred and Barney Meet the Shmoo." Formerly, the latter was titled "Fred & Barney Meet The Thing." These changes, and the shifting of three other series to new time slots, take effect on Dec. 8 . . .

"BENJI'S VERY OWN CHRISTMAS STORY" will air on ABC-TV under the sponsorship of General Foods' Cycle dog food (Y&R) on Dec. 21 at 8 p.m. (EST) . . .

THE CENSUS BUREAU has released 1978 median income figures showing white family income of $18,370, up 2% in real terms from the previous year; Hispanic family income of $12,570, basically unchanged from 1977 in real buying power, and black family income of $10,880, up 6% in real terms. By regions: The median family income in the West was $18,410, up 4% in real terms over 1977; up 3% in North Central states to $18,600, and unchanged from 1977 in the Northeast, $18,900, and the South, $15,940 . . .

SUN SIGNS: Regent Box Co., Philadelphia, is marketing Sunbrero, a sun shade that can be imprinted with a company or brand name for use as a promotion item. Because of flexible vinyl construction, Sunbrero can be bound into a magazine as a page ad, rolled into a tennis can or merchandised with picnic foods . . .

INTERNATIONAL HARVESTER'S first program sponsorship in 25 years will be three one-hour tv specials about the weather, developed by Playback Associates. The first special, due in January, is "Weather Report '80: The Almost, Not Quite, Sure Thing." Playback execs said each station will be able to insert its own local weathercaster segment. George Back & Associates, headed by the former president of Hughes Television Network, is handling clearances . . .

THE NEXT BARBARA WALTERS interview special sponsored by General Electric (BBDO) on ABC-TV will feature Suzanne Somers, Sylvester Stallone and Stevie Wonder. It will air Dec. 5 at 10 p.m. (EST) . . .

Hanna-Barbera Productions

HANNA-BARBERA PRODUCTIONS' new star logo is beginning to show up tagging its 1979-80 tv programs and in entertainment trade advertising. It also may be used on the four theme parks of the cartoon company's parent, Taft Broadcasting, Cincinnati. Saul Bass/Herb Yager & Associates, Los Angeles, created the design . . .

TO QUIET RUMORS THAT *Playgirl's* readership is heavily male, the Santa Monica-based magazine conducted research charting new subscription trends. According to the research, via Media Selection Corp., San Diego, *Playgirl* has received 17,773 new subscriptions in the last two months, 84.38% of which were female. Less than 10% were male and the rest were unidentified, the magazine said . . .

CREDIT UNION NATIONAL ASSN., Madison, Wis., which was the first sponsor to sign for ABC-TV's 1980 Winter Olympics, also will present an "Olympic Preview" special in early January prime time. CUNA also is selling "Dorothy Hamill's Guide to Enjoying the 1980 Winter Olympics on TV" at credit unions, with Ms. Hamill promoting the booklet in a 30-second spot due in the January special. The agency is Garrison, Jasper, Rose & Co., Indianapolis . . .

SLAMMER HAMMER, a lightweight noisemaker and whistle shaped like a gavel, is being distributed in the U.S. by Hana-Bob Ltd., New York, an importer of plastic toys and novelties from Israel. About 2,000,000 of the hammers, which give off a musical sound when rapped on a surface, have been sold in Israel. New Year's revelers at New York's Waldorf-Astoria will have Slammer Hammers as noisemakers when the Guy Lombardo Orchestra isn't playing. The agency is Francis Kane Associates, New York . . .

WILLIAM McCAFFREY INC., New York, has created and produced two radio commercials for Fieldcrest and St. Mary's automatic blankets. Both spots use celebrity endorsers, one featuring Doc Severinsen and Della Reese and the other, comedians Bob & Ray. Cost and energy savings are the focus of both spots . . .

LAST CHRISTMAS SEASON, teen girls shelled out an all-time high of $2 billion on gifts, about 75% more than they spent during yuletide five years ago. The girls spent more than $1 billion on their families, including an average $30 on gifts for their mothers. The three most popular choices were perfumes, sweaters and blouses respectively, according to a *Seventeen* survey. The girls spent an average of $25 to buy dad a shirt or cologne . . .

METROMEDIA PRODUCERS CORP., Los Angeles, will support the late January telecast of the "Wild Times" miniseries with four-color spreads in *Good Housekeeping, McCall's, Woman's Day* and regional *Newsweek* issues via Pearlman/Rowe, New York. So far, 44 stations have cleared (33 affiliates) for the two-part, four-hour show; stations will sell commercial time locally . . .

LUNCHEON IS SERVED, Tucson, a sampling medium that puts on luncheons and dinners for fund-raising groups for a small fee, now reaches an estimated 800,000 consumers each year. Advertisers pay to have their products served and/or displayed, and the groups are given tickets to sell. The group keeps all funds raised except for a service fee. Luncheon Is Served is part of Adia, a Swiss-based temporary employment agency . . .

NOT SURPRISINGLY, Miles David, president of Radio Advertising Bureau, advised the National Assn. of Realtors at a session in New Orleans that radio is the best way to sell homes and apartments. Radio, he argued, can reach the young, two-income families better than newspapers, which working women may not have time to read, and do it with updated reports countering negative economic reports . . .

TED VAN DYK, vp-communications at Weyerhaeuser Co., Tacoma, Wash., has taken a leave of absence to join the Presidential campaign staff of Sen. Edward Kennedy (D., Mass.) His first assignment will be preparation for the Carter-Kennedy debate in January. Mr. Van Dyk previously worked in the Presidential campaigns of Hubert Humphrey, George McGovern and President Carter.

Costs of cigaret advertising: 1978-1972

Per carton and per million cigarets sold

(Continued from Page 89)

	1978	1977	1976	1975	1974	1973	1972
Virginia Slims (Philip Morris)[1,4]							
Sales (billions)	9.7	9.5	9.0	8.7	8.1	7.2	6.3
Ad investment	$10,189,200	$8,508,500	$7,264,300	$6,482,300	$7,633,103	$6,865,204	$5,347,528
Ad cost per million	$1,050.43	$893.38	$807.14	$745.09	$936.58	$950.65	$848.81
Ad cost per carton	21.0¢	17.8¢	16.1¢	14.9¢	18.7¢	19¢	17¢
L&M (Liggett & Myers)[1,4]							
Sales (billions)	8.7	9.2	9.7	11.1	12.2	13.2	13.7
Ad investment	$13,382,600	$9,750,700	$7,544,800	$8,620,200	$7,698,953	$4,537,870	$8,942,308
Ad cost per million	$1,529.44	$1,059.85	$777.81	$776.59	$631.06	$345.09	$652.72
Ad cost per carton	30.6¢	21.1¢	15.4¢	15.5¢	12.6¢	6.9¢	13.1¢
•Newport (P. Lorillard)[2,4]							
Sales (billions)	8.6	7.3	6.2	5.8	5.2	4.6	——
Ad investment	$10,224,300	$6,530,800	$5,452,200	$5,980,600	$5,119,900	$3,625,500	——
Ad cost per million	$1,188.87	$894.63	$879.38	$1,031.13	$984.59	$788.15	——
Ad cost per carton	23.7¢	17.8¢	17.5¢	20.6¢	19.6¢	15.7¢	——
Belair (Brown & Williamson)[3,4]							
Sales (billions)	8.4	8.6	8.8	9.3	9.4	9.6	9.4
Ad investment	$11,746,400	$8,101,900	$5,147,600	$5,189,900	$5,356,411	$4,375,991	$5,569,850
Ad cost per million	$1,398.38	$932.32	$584.95	$558.05	$566.81	$455.35	$592.54
Ad cost per carton	27.9¢	18.6¢	11.6¢	11.1¢	20¢	9.1¢	11.9¢

[1]Plain standard filter, [2]menthol filter, [3]plain 100mm filter, [4]menthol 100mm filter, [5]nonfilter, #revised, •does not include newspaper advertising investments, [6]marketed as Kent Golden Lights until 1978.

Farmland Industries

Co-op effort binds farmers

BY CYNTHIA E. HARDIE

KANSAS CITY—The red and blue CO-OP signs are sprinkled throughout midwestern farmlands atop grain elevators, on petroleum tanks, hopper cars and animal feeders. They make a friendly impression and conjure images of farmers working together in small rural areas for their common good.

This is true, but co-ops are sophisticated businesses today, as is farming.

Farm co-ops began in the 1920s. For the most part they were formed to market grain. But as farmers shifted from horses to tractors, other needs became apparent, such as obtaining petroleum products.

In 1929, six cooperatives formed what was called Union Oil Co. (Cooperative), predecessor of Farmland Industries, today the largest farm co-op in the nation with 2,300 member co-ops, about 500,000 farmers and ranchers in 15 midwestern states and annual sales exceeding $3 billion.

The essence of the co-op, even a giant such as Farmland, is that it is owned by the membership.

■ Farmland was begun to save farmers money through mass purchasing of agricultural "inputs." It continues to save farmers money, but now mass purchasing has given way to mass production. Today Farmland makes most of the products it sells and its savings are mainly at the manufacturing level.

The cooperative not only guarantees producers a source of fuel, fertilizer, feed and other supplies, it helps them market their products. Company earnings are also returned to the farmers and ranchers through their local member cooperatives through what are called "patronage refunds."

Farm co-ops had a stormy beginning because they were seen as socialist by some. Although the Sherman-Clayton Antitrust Act recognized the cooperative form of business, the Capper-Volstead Act in 1922 made it possible for farmers to join and market their products without violating antitrust law so long as their actions did not "unduly enhance" prices.

Because of the growth and success of co-ops today and certain special privileges, co-ops have been under scrutiny by government agencies as well as under fire from industry groups that say private enterprise will be squeezed out of agribusiness.

■ Randall E. Torgerson, writing in the "Annals of the American Academy of Political and Social Scientists" in January, 1977, said, "Cooperatives came of age in the past decade in their capacity to serve farmers' and ranchers' needs for farm supplies, credit, marketing and related services. Capability to meet these needs was not possible until co-ops developed into large-scale efficient operations with a high degree of sophistication."

Mr. Torgerson also points out that co-ops differ from most corporations because the co-op is oriented to needs of users not investors.

Also, co-ops enjoy a considerable tax break because they do not pay federal income tax on profits returned to their owners (farmers). The owners pay personal income tax on these refunds.

The General Accounting Office recently completed a two-year study of farm cooperatives undertaken because it said most of the legislation affecting cooperatives was enacted many years ago.

The GAO wants a set of conduct principles in addition to the laws that already govern the co-op and believes "undue price enhancement" needs a more precise definition than it is given in the Capper-Volstead Act.

Farmland Industries is a success story not many outside the Midwest know about. Its first office was in a two-car garage in North Kansas City and it is now the largest corporation based here. Farmland is governed by a board of 22 directors, a majority of which must be farmers/producers. This means that the board knows problems of its membership first hand.

Farmland's service to farmers was made clear in the early '70s, the 1978 annual report stated, "when fuel and fertilizer shortages tested the skill and dedication of Farmland and member cooperatives. As scarcity and higher prices for fuel and fertilizer spread across the Midwest, farmers complained bitterly that local noncooperative fertilizer dealers were selling outside their area, sometimes overseas for higher profits.

■ "Farmland and the locals shared the problem of allocating their fertilizer equitably, and co-op members were able to get most of the supplies they needed. Thousands of midwestern farmers realized, some for the first time, that Farmland and their local associations stood between them and disastrous shortages of farm inputs."

The giant co-op manufactures almost everything farmers need (except heavy equipment) including petroleum products, feed, fertilizer, agricultural chemicals, seed, paints, tires, batteries and steel buildings.

It is also a processor and marketer of beef and pork products; it is a grain exporter, and an operator of feed mills and grain elevators.

Although the farmer may be a co-op member, he is not compelled to buy co-op products nor does he receive a discount because he is a member. All products are sold at retail price.

The focus of Farmland's 1980 campaign, which began in September, is the testimonial ad using co-op members. The heaviest concentration of the campaign comes in spring, although advertising does continue throughout the winter.

Jim Rathbun, director of agency relations for Farmland, said a combination of tv in rural markets, 96 radio stations and about 15 farm publications are being used. The media budget, he said, is $2,000,000.

For the testimonial campaign, co-op members from all over the Midwest are participating. This allows a producer from each radio market to speak to his fellow producers in the area about Farmland products. For tv and print, not as many spokesmen are used because of production costs, Mr. Rathbun said.

■ The farmer is paid only the courtesy $1 release consideration unless his work day is totally disrupted by the making of the commercials, Mr. Rathbun said. There are no reduced prices or free products for appearing in the ads.

He said the farmers view the testimonial ads as an advantage for themselves as well as the co-op. This is because the more products sold through a member co-op, the greater the patronage refunds will be for that co-op.

Barickman Advertising, Kansas City, is Farmland's agency. #

Cynthia Hardie is a Cincinnati-based free lance writer who writes frequently for Section 2.

Top 25 advertisers in agripublications

Rank	Company	1978 Expenditures	1977 Expenditures
1	Elanco Products	$4,531,853	$4,106,094
	Animal Health	(1,886,686)	(1,514,088)
	Crop Chemicals	(2,645,167)	(2,592,006)
2	Deere & Co.	3,738,479	3,242,493
3	American Cyanamid	3,736,245	4,407,831
	Animal Health	(1,342,851)	(1,200,147)
	Crop Chemicals	(2,393,394)	(3,207,684)
4	International Harvester	3,176,457	1,944,775
5	Shell Chemical	2,646,178	2,224,578
	Animal Health	(784,973)	(871,738)
	Crop Chemicals	(1,861,205)	(1,352,840)
6	Ciba-Geigy Corp.	2,585,599	2,337,009
7	Monsanto Agricultural Products	2,444,898	2,573,523
8	FMC Corp. Agri Chemicals Div.	2,104,150	2,035,517
9	Stauffer Chemical Co.	2,068,929	1,684,784
10	Ford Motor Co.	1,971,700	1,871,467
11	New Holland—Sperry Rand Corp.	1,887,294	2,094,826
12	Mobil	1,810,984	1,175,955
	Mobil Oil	(542,726)	(424,896)
	Mobil Chemical	(1,268,258)	(751,059)
13	E. I. DuPont	1,723,750	1,443,891
14	Union Carbide Corp.	1,706,042	1,773,322
	Union Carbide Products	(418,953)	(434,454)
	Amchem	(405,992)	(733,874)
	Jacques	(881,097)	(604,994)
15	Mobay Chemical Corp., Agri Chemicals Div.	1,607,085	1,251,983
16	Upjohn (Includes Tuco & Asgrow)	1,585,392	1,362,157
17	Northrup King & Co.	1,454,315	1,225,624
18	DeKalb Agresearch	1,271,266	1,194,538
19	Pfizer & Co.	1,247,196	1,245,772
	Pfizer	(634,717)	(624,268)
	Pfizer Genetics (Trojan)	(572,204)	(600,135)
	H&N	(40,275)	(21,369)
20	Chevrolet	1,242,241	1,406,416
21	Dow Chemical Co.	1,223,319	1,319,088
22	Pioneer Seed Div.	1,120,846	910,549
23	Allis Chalmers	1,086,598	1,167,266
24	Butler	969,088	760,874
	Mfg.	(691,266)	(483,038)
	Higromatic	(17,753)	(55,577)
	Jamesway	(229,151)	(200,495)
	Oswalt	(30,918)	(21,764)
25	J I Case	931,087	1,037,733

Source: AgriCom

agribusiness consultants in animal health, pesticides, seed, feed and equipment

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acquisition evaluations

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